

DATE: July 16, 2013
STAFF: Helen Matson
Kayla Ballard

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

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SUBJECT

First Reading of Ordinance No. 094, 2013, Authorizing the Lease of City-Owned Property at 212 Laporte Avenue to Feeding Our Community Ourselves, Inc. for Up to Five Years.

EXECUTIVE SUMMARY

Feeding Our Community Ourselves, Inc. wishes to lease 212 West Laporte Avenue to house a non-profit café with a minimal food processing facility. The total yearly lease payment for the property will be a minimum of \$44,688. The term of the lease shall be for one (1) year, with renewals on a yearly basis for up to four (4) successive one-year terms. With this lease, either party will have the option to terminate at any time upon a one (1) year advance written notice to the other party. The tenant will be responsible for the taxes, all utilities, communication services, trash services and janitorial services.

BACKGROUND / DISCUSSION

The City purchased the 6,384 square foot building at 212 Laporte Avenue, formerly Abraxis Glass ("Abraxis"), in July 2005 to allow for future City development. The City has leased the building to two commercial tenants since the purchase. Part of the purchase agreement with Abraxis was a lease while the new Abraxis facility was being constructed. In February 2008, Real Deals leased the property until it vacated in April 2012. After the property was vacant, the City considered using the property for City offices and/or storage. Once it was determined the City did not have an immediate use for the property, it was placed on Craig's List. Staff received a few inquiry calls and showed it to a few companies. FoCo was the only company that made an offer to lease the space.

Feeding Our Community Ourselves, Inc. ("FoCo Café") is a non-profit organization that operates a café open to the general public and also provides meals to people, regardless of their ability to pay, while using local, organic, and sustainably-grown ingredients. FoCo Café hours of operation will be 11:00 a.m. through 2:00 p.m. Mondays through Saturdays. FoCo Café will have a "growing wall" inside the café that will contribute to the ingredients of the meals. FoCo Café is a 100% volunteer operated organization. In addition, the site will minimally process local fresh produce to increase its availability to low-income citizens.

The floor plan at 212 West Laporte Avenue currently consists of a 4,101 square foot warehouse-type area with a 630 square foot showroom and three offices. FoCo Café plans to remodel the building to include customer seating/dining area in approximately one-half of the building, a kitchen with a food preparation area, and upgraded improvements to the restrooms. A new handicap accessible ramp will be installed on the east side of the building. The bike racks will be located next to and north of the ramp. FoCo will have six parking spaces, two on the east side of the building and four on the north side of the building by the loading dock. A full trash enclosure will be constructed adjacent to the loading dock. FoCo Café will pay all costs of the remodel.

FINANCIAL / ECONOMIC IMPACTS

Annual rent collected from this lease will result in at least \$44,688 in unanticipated revenue. Market rent for this space is based on \$7/square foot and is slightly higher than market warehouse space. This is valued as a warehouse space because the configuration of the property. There is a small finished area in the front and the majority is still open warehouse space. Staff confirmed the lease with a commercial broker that specializes in the downtown area. The Tenant will be responsible for expenses of all utilities, communication services, trash services, janitorial services, and taxes. In addition, it will be the obligation of the Tenant for any tenant finish costs. The City will be responsible for maintenance costs to the building.

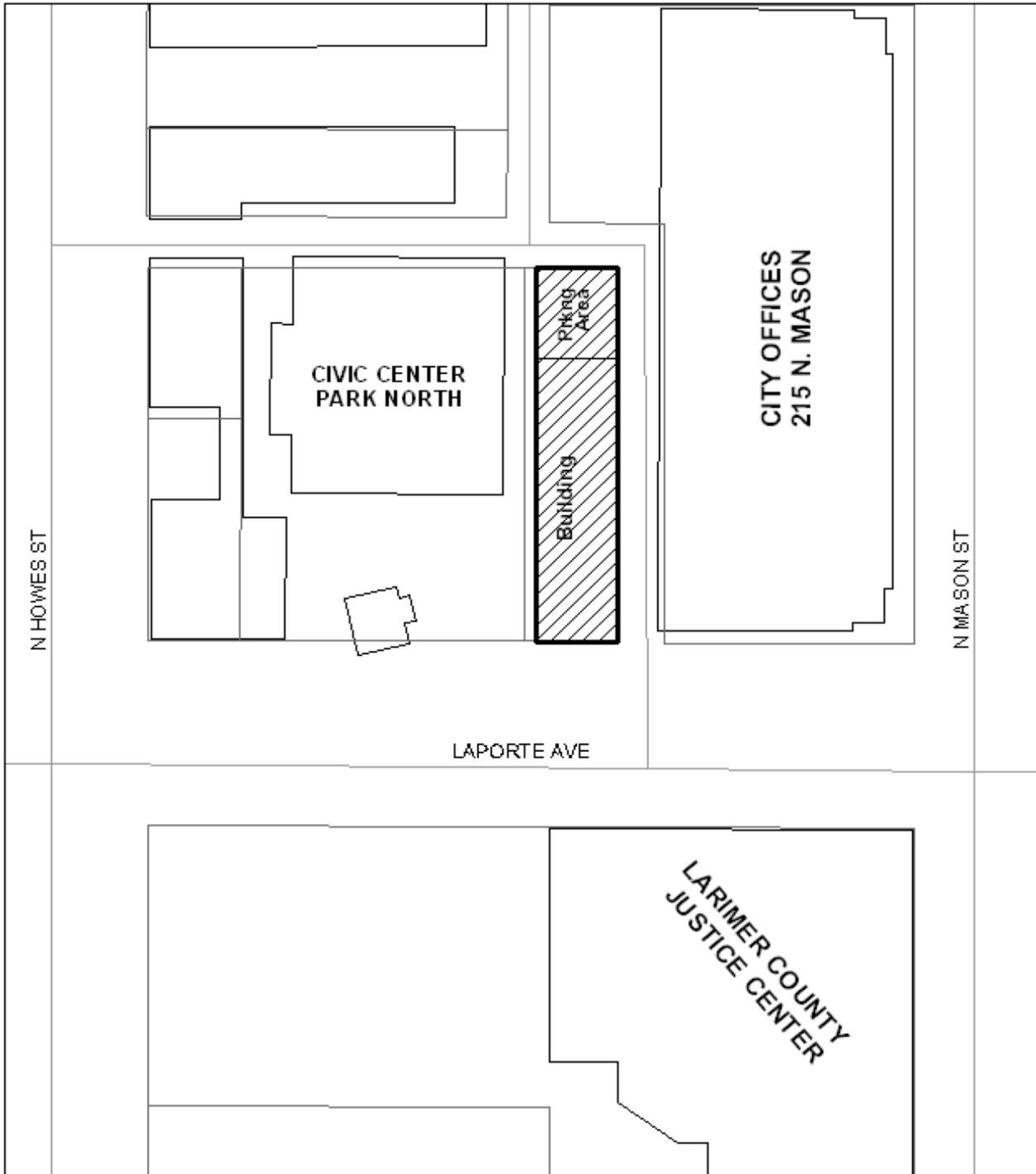
STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

ATTACHMENTS

1. Location map

212 W. LaPorte Avenue Lease Location Map



 Location of 212 W. LaPorte Avenue



ORDINANCE NO. 094, 2013
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE LEASE OF CITY-OWNED PROPERTY AT
212 LAPORTE AVENUE TO FEEDING OUR COMMUNITY OURSELVES, INC.
FOR UP TO FIVE YEARS

WHEREAS, the City is the owner of the property legally described as Lots 44 and 45, Block 32, Fort Collins, Colorado, also known as 212 LaPorte Avenue (the "Property"); and

WHEREAS, the Property was purchased by the City in 2005 to allow for future City development consistent with the Civic Center Master Plan; and

WHEREAS, the City has no immediate plans for the Property, and City staff is therefore recommending that it be leased at a current market rate of no less than \$7.00 per square foot to offset the City's maintenance expenses and generate revenue; and

WHEREAS, the City desires to lease the Property to Feeding Our Community Ourselves, Inc. ("FoCo Café") and FoCo Café desires to lease the Property from the City; and

WHEREAS, the proposed lease would be for a period of one year, renewing on a yearly basis for up to four additional years with termination upon one-year's notice by either party; and

WHEREAS, the lease of the Property will benefit the City by generating revenue, reducing the City's costs for utilities for the Property and discouraging vandalism; and

WHEREAS, under Section 23-111(a) of the City Code, the City Council is authorized to sell, convey or otherwise dispose of any and all interests in real property owned in the name of the City, provided that the City Council first finds, by ordinance, that such disposition is in the best interests of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That, because the City will receive fair market rent for the Property, and the lease of the Property will discourage vandalism and reduce the City's utility costs for the Property, the City Council hereby finds that leasing the Property located at 212 LaPorte Avenue under the terms listed above is in the best interests of the City.

Section 2. That the City Manager is hereby authorized to execute a lease agreement for the Property on terms and conditions consistent with this Ordinance, together with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary and appropriate to protect the interests of the City, including, but not limited to, any necessary changes to the legal description of the Property, as long as such changes do not materially increase the size or change the character of the property to be leased.

Introduced, considered favorably on first reading, and ordered published this 16th day of July, A.D. 2013, and to be presented for final passage on the 20th day of August, A.D. 2013.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 20th day of August, A.D. 2013.

Mayor

ATTEST:

City Clerk